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FISCAL IMPACT STATEMENT

LS 6242

BILL NUMBER: SB 59

NOTE PREPARED: Nov 18, 2002

BILL AMENDED:

SUBJECT: Purchases from Department of Correction.

FIRST AUTHOR: Sen. Kenley

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that a governmental body is allowed to make purchases from sources other than the Department of Correction (DOC) if the price is less than the price offered by the Department of Correction.

Effective Date: July 1, 2003.

Explanation of State Expenditures: This bill could reduce expenditures for certain state agencies if goods and services can be purchased at a lower price from sources other than the Department of Correction.

Explanation of State Revenues: This bill could reduce the sales revenue produced by the Prison Enterprises Network if state and local agencies can select a different supplier who provides the same goods or services at a lower price. Potential revenue loss is indeterminable.

Background: P.L. 49-1997 contained provisions that govern how state and local governments purchase goods and services. One section of current law requires that state and local government agencies that are included in this statute to purchase supplies and services produced or manufactured by DOC unless the purchases cannot be made in a timely manner. This bill would permit these purchases to be made from another non-DOC source if the purchases can be made at prices that are less than what are offered by the Department of Correction.

The following shows the revenue generated by PEN products from sales to state and local governments between FY 1991 and FY 2002.

Fiscal Year	Sales to State and Local Agencies	Change in Dollars	Percentage Change
1991	\$ 12,161,079		
1992	\$ 13,013,522	\$852,443	7%
1993	\$ 18,868,397	\$5,854,875	31%
1994	\$ 10,383,673	(\$8,484,724)	-82%
1995	\$ 12,353,640	\$1,969,967	16%
1996	\$ 21,361,003	\$9,007,363	42%
1997	\$ 21,021,174	(\$339,829)	-2%
1998	\$ 32,520,200	\$11,499,026	35%
1999	\$ 25,533,336	(\$6,986,864)	-27%
2000	\$ 24,208,435	(\$1,324,901)	-5%
2001	\$ 24,749,323	\$540,888	2%
2002	\$ 25,156,433	\$407,110	2%

The following shows the types of products and services these ten facilities provide:

Facility	Products/Services
Branchville Correctional Facility:	Remanufactured Automotive Parts
Correctional Industrial Facility:	Baked Goods, Cottage Cheese, Frozen Beef-Pork-Poultry Products, Frozen Fruits and Vegetables, and Milk
Indiana Women's Prison:	CAD (Computer Aided Drafting) and Commercial Laundry Services
Indiana State Prison:	Cattle, Dog Tags, Grain, License Plates, Lockers, Metal Shelving, Metal Storage Cabinets, Offender Clothing, Outdoor Grills, Security Beds, Timber, Vegetables
Miami Correctional Facility:	Offender Clothing, Janitorial Products, Laundry Products
Pendleton Correctional Facility:	Beef Cattle, Chairs, Dormitory Furniture, Engraving, Grain, Mattresses, Office Furniture, Vegetables
Putnamville Correctional Facility:	Wood Assembly
Rockville Correctional Facility:	Data Entry, Coil Assembly, Electronic Component Assembly
Wabash Valley Correctional Facility:	Corrugated Boxes, Data Conversion-GIS, Light Assembly, Offender Clothing, Printing Services Including: 4-Color Process, NCR Forms, Envelopes and Continuous Forms, Validation Stickers, Temporary License Plates
Westville Correctional Facility:	Brooms and Mops, Hickory Furniture, Highway Signs, Offender Clothing, Park Furniture, Picnic Tables, and Shelter Houses

Explanation of Local Expenditures: This bill could reduce expenditures of selected products and services if local agencies can find these same products and services at lower prices.

Explanation of Local Revenues:

State Agencies Affected: Department of Correction, other state agencies.

Local Agencies Affected: Local units of government.

Information Sources: Department of Correction.

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